

110TH CONGRESS
1ST SESSION

H. R. 1817

To amend the Internal Revenue Code of 1986 to deny all deductions for business expenses associated with the use of a club that discriminates on the basis of sex, race, or color.

IN THE HOUSE OF REPRESENTATIVES

MARCH 29, 2007

Mrs. MALONEY of New York (for herself, Mr. SHERMAN, and Mr. ROTHMAN) introduced the following bill; which was referred to the Committee on Ways and Means

A BILL

To amend the Internal Revenue Code of 1986 to deny all deductions for business expenses associated with the use of a club that discriminates on the basis of sex, race, or color.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Ending Tax Breaks
5 for Discrimination Act of 2007”.

1 **SEC. 2. DENIAL OF DEDUCTION FOR BUSINESS EXPENSES**
2 **FOR USE OF CLUB THAT DISCRIMINATES ON**
3 **BASIS OF SEX, RACE, OR COLOR.**

4 (a) IN GENERAL.—Section 162 of the Internal Rev-
5 enue Code of 1986 (relating to trade or business expenses)
6 is amended by redesignating subsection (q) as subsection
7 (r) and by inserting after subsection (p) the following new
8 subsection:

9 “(q) DENIAL OF DEDUCTION FOR USE OF CLUB
10 THAT DISCRIMINATES ON BASIS OF SEX, RACE, OR
11 COLOR; DENIAL OF DEDUCTION FOR CERTAIN ADVER-
12 TISING EXPENSES.—

13 “(1) IN GENERAL.—No deduction shall be al-
14 lowed under this section for any amount paid or in-
15 curred—

16 “(A) to any private discriminatory club,

17 “(B) for the use of services or facilities of
18 any private discriminatory club, or

19 “(C) for transportation, meals, lodging,
20 and other traveling expenses (not described in
21 subparagraph (A) or (B)) incurred in connec-
22 tion with such use.

23 “(2) ADVERTISING EXPENSES.—No deduction
24 shall be allowed under this section for any amount
25 paid or incurred for—

1 “(A) advertising of any event held at any
2 facility of a discriminatory club, or

3 “(B) advertising for any product or service
4 if the advertising occurs on any broadcast
5 media during, or in association with, such me-
6 dia’s coverage of any such an event.

7 “(3) PRIVATE DISCRIMINATORY CLUB.—For
8 purposes of this subsection, the term ‘private dis-
9 criminatory club’ means any club organized for busi-
10 ness, pleasure, recreation, or other social purpose if
11 such club restricts its membership or the use of its
12 services or facilities on the basis of sex, race, or
13 color.

14 “(4) RECEIPTS TO STATE NONDEDUCTIBILITY
15 OF EXPENSES.—All receipts for any expense which
16 is not allowed as a deduction under this section by
17 reason of subsection (a) shall include the following
18 statement: ‘The expenditures covered by this receipt
19 are nondeductible for Federal income tax pur-
20 poses.’”.

21 (b) EFFECTIVE DATE.—The amendments made by
22 this section shall apply to amounts paid or incurred after
23 the date of the enactment of this Act.

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